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Financial reports and audited financial statements, and reports of the Board of Auditors

Report of the Fifth Committee

Rapporteur: Mr. Fouad **Rajeh** (Saudi Arabia)

I. Introduction

1. At its 2nd plenary meeting, on 19 September 2003, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-eighth session, and to allocate to the Fifth Committee, the item entitled:

> "Financial reports and audited financial statements, and reports of the Board of Auditors:
>
> "(a) United Nations peacekeeping operations;
>
> "(b) Voluntary funds administered by the United Nations High Commissioner for Refugees."

2. The Fifth Committee considered the item at its 2nd and 9th meetings, on 7 and 24 October 2003. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/58/SR.2 and 9).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Audited financial statements for the year ended 31 December 2002 and report of the Board of Auditors on the voluntary funds administered by the United Nations High Commissioner for Refugees;[1]

[1] *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 5E* (A/58/5/Add.5).

03-62165 (E) 241103

(b) Second report of the Secretary-General on the implementation of the recommendations of the Board of Auditors on the accounts of the United Nations for the biennium ended 31 December 2001 (A/58/97);

(c) Second report of the Secretary-General on the implementation of the recommendations of the Board of Auditors on the accounts of the United Nations funds and programmes for the biennium ended 31 December 2001 (A/58/97/Add.1);

(d) Note by the Secretary-General transmitting the report of the Board of Auditors on the implementation of its recommendations relating to the biennium 2000-2001 (A/58/114);

(e) Report of the Advisory Committee on Administrative and Budgetary Questions (A/58/384).

4. At the 2nd meeting, on 7 October, the Director of External Audit and Chairman of the Audit Operations Committee introduced the reports of the Board of Auditors (see A/C.5/58/SR.2).

II. Consideration of draft resolution A/C.5/58/L.7

5. At the 9th meeting, on 24 October, the representative of Egypt, coordinator of the informal consultations on this item, introduced, on behalf of the Chairman, a draft resolution entitled "Financial reports and audited financial statements, and reports of the Board of Auditors" (A/C.5/58/L.7).

6. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.7 without a vote (see para. 7).

III. Recommendation of the Fifth Committee

7. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Financial reports and audited financial statements, and reports of the Board of Auditors

The General Assembly,

Having considered the audited financial statements and the report of the Board of Auditors on the voluntary funds administered by the United Nations High Commissioner for Refugees for the year ended 31 December 2002,[1] the report of the Board of Auditors on the implementation of its recommendations relating to the biennium 2000-2001,[2] the second report of the Secretary-General on the implementation of the recommendations of the Board of Auditors on the accounts of the United Nations[3] and on the accounts of the United Nations funds and programmes[4] for the biennium ended 31 December 2001, and the related report of the Advisory Committee on Administrative and Budgetary Questions,[5]

Recognizing the difficult conditions under which the United Nations Office of the High Commissioner for Refugees does its work,

1. *Accepts* the financial report and audited financial statements and the report and audit opinion of the Board of Auditors regarding the voluntary funds administered by the United Nations High Commissioner for Refugees for the period from 1 January to 31 December 2002;[1]

2. *Endorses* the recommendations of the Board of Auditors contained in its report;[6]

3. *Also endorses* the observations and recommendation contained in paragraphs 2 to 18 of the report of the Advisory Committee on Administrative and Budgetary Questions;[5]

4. *Notes with concern* the shortcomings identified by the Board of Auditors in the management of financial and human resources by the Office of the United Nations High Commissioner for Refugees, urges the High Commissioner to continue to implement the Board's recommendations, and requests him to report regularly to the relevant governing bodies on progress made in that regard;

5. *Notes* the efforts of the United Nations High Commissioner for Refugees in implementing the recommendations of the Board of Auditors;

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[1] *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 5E* (A/58/5/Add.5).

[2] A/58/114, annex, appendix.

[3] A/58/97.

[4] A/58/97/Add.1.

[5] A/58/384.

[6] *Official Records of the General Assembly, Fifty-eighth Session ,Supplement No. 5E* (A/58/5/Add.5), chap. II.

6. *Notes with concern* the further depletion of the reserves of the Office of the United Nations High Commissioner for Refugees, and requests the High Commissioner to examine the causes of continued operating deficits with a view to ensuring that the Office usually operates within its income for each financial year;

7. *Requests* the Secretary-General to report to the General Assembly on the full extent of unfunded staff termination and post-service liabilities in the United Nations and its funds and programmes and to propose measures that would ensure progress towards fully funding such liabilities;

8. *Takes note* of the second report of the Secretary-General on the implementation of the recommendations of the Board of Auditors on the accounts of the United Nations[3] and on the accounts of the United Nations funds and programmes[4] for the biennium ended 31 December 2001 and the report of the Board of Auditors on the implementation of its recommendations;[7]

9. *Notes with appreciation* the recommendation to consolidate the reports of the Secretary-General on the accounts on the United Nations and its funds and programmes in a single report;[7]

10. *Requests* the Secretary-General to continue to include in the consolidated report the status of implementation of the recommendations of the Board of Auditors and to clarify the recommendations that were partially implemented and those that were not implemented;

11. *Requests* the audited organizations to take all steps necessary to implement fully and expeditiously the outstanding audit recommendations.

[7] A/58/114, annex, appendix, para. 7.

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Review of the efficiency of the administrative and financial functioning of the United Nations

Report of the Fifth Committee

Rapporteur: Mr. Fouad **Rajeh** (Saudi Arabia)

I. Introduction

1. At its 2nd plenary meeting, on 19 September 2003, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-eighth session the item entitled "Review of the efficiency of the administrative and financial functioning of the United Nations" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 2nd, 3rd, 8th, 9th, 22nd and 26th meetings, on 7, 8, 23 and 24 October, 26 November and 10 December 2003. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/58/SR.2, 3, 8, 9, 22 and 26).

3. For its consideration of the item, the Committee had before it the following documents:

Outsourcing practices

(a) Report of the Secretary-General on outsourcing practices (A/57/185);

(b) Reports of the Advisory Committee on Administrative and Budgetary Questions (A/57/7/Add.1 and A/57/453 and Corr.1);

(c) Notes by the Secretary-General transmitting the report of the Joint Inspection Unit on the management audit review of outsourcing in the United Nations and the United Nations funds and programmes (A/58/92) and his comments and those of the United Nations System Chief Executives Board for Coordination thereon (A/58/92/Add.1);

03-64972 (E) 151203

(d) Report of the Advisory Committee on Administrative and Budgetary Questions (A/58/389);

Common and joint services of United Nations system organizations at Vienna

(e) Notes by the Secretary-General transmitting the report of the Joint Inspection Unit on common and joint services of United Nations system organizations at Vienna (A/58/258) and his comments and those of the United Nations System Chief Executives Board for Coordination thereon (A/58/258/Add.1);

(f) Report of the Advisory Committee on Administrative and Budgetary Questions (A/58/389);

Reports of the Office of Internal Oversight Services

(g) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the audit of the Investment Management Service of the United Nations Joint Staff Pension Fund (A/58/81);

(h) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the review of duplication, complexity and bureaucracy in United Nations administrative processes and procedures (A/58/211).

II. Consideration of proposals

A. Draft resolution A/C.5/58/L.4

4. At the 9th meeting, on 24 October, the representative of South Africa, coordinator of the informal consultations on this question, introduced, on behalf of the Chairman, a draft resolution entitled "Outsourcing practices" (A/C.5/58/L.4).

5. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.4 without a vote (see para. 14, draft resolution I).

B. Draft resolution A/C.5/58/L.5

6. At the 9th meeting, on 24 October, the representative of South Africa, coordinator of the informal consultations on this question, introduced, on behalf of the Chairman, a draft resolution entitled "Report of the Joint Inspection Unit on the management audit review of outsourcing in the United Nations and the United Nations funds and programmes" (A/C.5/58/L.5).

7. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.5 without a vote (see para. 14, draft resolution II).

C. Draft resolution A/C.5/58/L.6

8. At the 9th meeting, on 24 October, the representative of Nigeria, coordinator of the informal consultations on this question, introduced, on behalf of the Chairman, a draft resolution entitled "Report of the Joint Inspection Unit on

common and joint services of United Nations system organizations at Vienna" (A/C.5/58/L.6).

9. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.6 without a vote (see para. 14, draft resolution III).

D. Draft resolution A/C.5/58/L.11

10. At the 22nd meeting, on 26 November, the representative of Ireland, coordinator of the informal consultations on this question, introduced, on behalf of the Chairman, a draft resolution entitled "Report of the Office of Internal Oversight Services on the audit of the Investment Management Service of the United Nations Joint Staff Pension Fund" (A/C.5/58/L.11).

11. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.11 without a vote (see para. 14, draft resolution IV).

E. Draft resolution A/C.5/58/L.32

12. At the 26th meeting, on 10 December, the Committee had before it a draft resolution entitled "Review of duplication, complexity and bureaucracy in United Nations administrative processes and procedures" (A/C.5/58/L.32), which was submitted by the representative of Venezuela, Vice-Chairman of the Committee, on the basis of informal consultations.

13. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.32 without a vote (see para. 14, draft resolution V).

III. Recommendations of the Fifth Committee

14. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I
Outsourcing practices

The General Assembly,

Recalling its resolutions 54/256 of 7 April 2000 and 55/232 of 23 December 2000,

Having considered the report of the Secretary-General on outsourcing practices[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[2]

1. *Takes note* of the report of the Secretary-General;[1]

2. *Endorses* the recommendations contained in paragraphs 10 and 11 of the report of the Advisory Committee on Administrative and Budgetary Questions;[2]

3. *Requests* the Secretary-General to report to the General Assembly at its fifty-ninth session on the implementation of the provisions of its resolution 55/232 and on activities outsourced during the years 2002 and 2003, including information on the location and type of outsourced activities and more detailed reasoning therefor.

[1] A/57/185.

[2] See A/57/7/Add.1, paras. 10 and 11.

Draft resolution II
Report of the Joint Inspection Unit on the management audit review of outsourcing in the United Nations and the United Nations funds and programmes

The General Assembly,

Reaffirming its previous resolutions on the Joint Inspection Unit, in particular resolutions 50/233 of 7 June 1996, 54/16 of 29 October 1999, 55/230 of 23 December 2000, 56/245 of 24 December 2001 and 57/284 of 20 December 2002,

Also reaffirming its resolutions 54/256 of 7 April 2000 and 55/232 of 23 December 2000 on outsourcing practices,

Having considered the report of the Joint Inspection Unit on the management audit review of outsourcing in the United Nations and the United Nations funds and programmes,[1] the comments of the Secretary-General[2] thereon and paragraphs 5 to 7 and 9 of the report of the Advisory Committee on Administrative and Budgetary Questions,[3]

1. *Takes note* of recommendation 1 of the Joint Inspection Unit;[1]

2. *Also takes note* of recommendation 2 of the Unit and the related comments of the Secretary-General;[2]

3. *Endorses* recommendation 3 (a) of the Unit;

4. *Takes note* of recommendations 4 and 5 of the Unit, as well as of the related comments of the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions;[3]

5. *Requests* the Secretary-General to ensure that contractors whose staff are present on the United Nations premises on a regular basis are held accountable for conducting individual background checks at their own expense;

6. *Endorses* recommendations 7 to 9 of the Unit;

7. *Requests* the Secretary-General to share the experience of the Procurement Division of the Office of Central Support Services of the Secretariat in the use of its new formats for monitoring, evaluating and certifying supplier performance under outsourced contracts with the members of the Inter-Agency Procurement Working Group and to report to the General Assembly thereon in the context of his next report on outsourcing practices.

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[1] See A/58/92.
[2] A/58/92/Add.1.
[3] A/58/389.

Draft resolution III
Report of the Joint Inspection Unit on common and joint services of United Nations system organizations at Vienna

The General Assembly,

Having considered the report of the Joint Inspection Unit on common and joint services of United Nations system organizations at Vienna,[1] the comments of the Secretary-General and the United Nations System Chief Executives Board for Coordination thereon[2] and the related comments of the Advisory Committee on Administrative and Budgetary Questions,[3]

1. *Welcomes* the comprehensive and timely preparation of the report of the Joint Inspection Unit;[1]

2. *Decides* to revert to the consideration of the report of the Joint Inspection Unit and the comments of the Secretary-General and the United Nations System Chief Executives Board for Coordination thereon[2] upon the issuance of the related report of the Advisory Committee on Administrative and Budgetary Questions at its fifty-ninth session.

[1] See A/58/258.
[2] A/58/258/Add.1.
[3] A/58/389, paras. 8 and 9.

Draft resolution IV
Report of the Office of Internal Oversight Services on the audit of the Investment Management Service of the United Nations Joint Staff Pension Fund

The General Assembly,

Recalling its resolutions 48/218 B of 29 July 1994 and 54/244 of 23 December 1999,

Having considered the report of the Office of Internal Oversight Services on the audit of the Investment Management Service of the United Nations Joint Staff Pension Fund,[1]

1. *Takes note* of the report of the Office of Internal Oversight Services on the audit of the Investment Management Service of the United Nations Joint Staff Pension Fund;[1]

2. *Notes with concern* the findings of the Office of Internal Oversight Services on problem areas in the functioning, administration and accountability mechanisms of the Investment Management Service;

3. *Requests* the Secretary-General to ensure that all the recommendations of the Office of Internal Oversight Services contained in the report are fully and expeditiously implemented and to submit a report thereon at its resumed fifty-eighth session.

[1] See A/58/81.

Draft resolution V
Review of duplication, complexity and bureaucracy in United Nations administrative processes and procedures

The General Assembly,

Recalling its resolutions 48/218 B of 29 July 1994, 54/244 of 23 December 1999 and 56/253 of 24 December 2001,

Having considered the report of the Office of Internal Oversight Services on the review of duplication, complexity and bureaucracy in United Nations administrative processes and procedures,[1]

Takes note of the report of the Office of Internal Oversight Services.[1]

[1] See A/58/211.

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Programme budget for the biennium 2002-2003

Report of the Fifth Committee

Rapporteur: Mr. Fouad **Rajeh** (Saudi Arabia)

I. Introduction

1. At its 2nd plenary meeting, on 19 September 2003, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-eighth session the item entitled "Programme budget for the biennium 2002-2003" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 3rd, 8th, 9th, 14th to 16th, 20th to 22nd and 26th meetings, on 8, 23 and 24 October, 3 to 5, 21, 24 and 26 November and 10 December 2003. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/58/SR.3, 8, 9, 14-16, 20-22 and 26).

3. For its consideration of the item, the Committee had before it the following documents:

Salary and retirement allowance of the Secretary-General and salary and pensionable remuneration of the Administrator of the United Nations Development Programme

Report of the Advisory Committee on Administrative and Budgetary Questions on the salary and retirement allowance of the Secretary-General and salary and pensionable remuneration of the Administrator of the United Nations Development Programme (A/58/7/Add.3)

Conditions of service and compensation for officials other than Secretariat officials

Report of the Secretary-General on conditions of service and compensation for officials, other than Secretariat officials, serving the General Assembly: full-time members of the International Civil Service Commission and the Chairman of the Advisory Committee on Administrative and Budgetary Questions (A/C.5/57/35)

03-65016 (E) 161203

Report of the Secretary-General on conditions of service and compensation for officials other than Secretariat officials: members of the International Court of Justice, judges of the International Tribunal for the Former Yugoslavia and judges of the International Criminal Tribunal for Rwanda (A/C.5/57/36)

Profitability of the commercial activities of the United Nations

Notes by the Secretary-General transmitting the report of the Joint Inspection Unit on United Nations system revenue-producing activities (A/57/707) and his comments and those of the United Nations System Chief Executives Board for Coordination thereon (A/57/707/Add.1)

Report of the Secretary-General on the proposed measures to improve the profitability of the commercial activities of the United Nations (A/57/398)

Reports of the Advisory Committee on Administrative and Budgetary Questions (A/57/7/Add.1 and A/58/7 and Corr.1[1])

Support costs related to extrabudgetary activities in organizations of the United Nations system

Notes by the Secretary-General transmitting the report of the Joint Inspection Unit on support costs related to extrabudgetary activities in organizations of the United Nations system (A/57/442) and his comments and those of the United Nations System Chief Executives Board for Coordination thereon (A/57/442/Add.1)

Report of the Advisory Committee on Administrative and Budgetary Questions (A/57/434)

Construction of additional office facilities at the Economic Commission for Africa

Report of the Secretary-General (A/58/154)

Report of the Advisory Committee on Administrative and Budgetary Questions (A/58/7[2])

Strengthening the United Nations web site

Report of the Secretary-General on strengthening the Department of Public Information, within the existing capacity, in order to support and enhance the United Nations web site in all official languages of the Organization: follow-up (A/58/217)

Report of the Advisory Committee on Administrative and Budgetary Questions (A/58/7/Add.1)

Second performance report

Second performance report of the Secretary-General on the programme budget for the biennium 2002-2003 (A/58/558 and Add.1 and Add.1/Corr.1)

Report of the Advisory Committee on Administrative and Budgetary Questions (A/58/604)

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[1] *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 7* and corrigendum, paras. IS3.18 and 19.

[2] Ibid., para. XI.3.

II. Consideration of proposals

A. Draft resolution A/C.5/58/L.8

4. At the 9th meeting, on 24 October, the representative of Canada, coordinator of the informal consultations on this question, introduced, on behalf of the Chairman, a draft resolution entitled "Report of the Joint Inspection Unit on the revenue-producing activities of the United Nations system" (A/C.5/58/L.8).

5. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.8 without a vote (see para. 19, draft resolution I).

B. Draft resolution A/C.5/58/L.12

6. At the 22nd meeting, on 26 November, the representative of Argentina, coordinator of the informal consultations on this question, introduced, on behalf of the Chairman, a draft resolution entitled "Conditions of service and compensation for officials other than Secretariat officials: members of the International Court of Justice, judges of the International Tribunal for the Former Yugoslavia and judges of the International Criminal Tribunal for Rwanda" (A/C.5/58/L.12).

7. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.12 without a vote (see para. 19, draft resolution II).

C. Draft resolution A/C.5/58/L.18

8. At the 22nd meeting, on 26 November, the representative of Venezuela, Vice-Chairman of the Committee and coordinator of the informal consultations on this question, introduced a draft resolution entitled "Salary and retirement allowance of the Secretary-General and salary and pensionable remuneration of the Administrator of the United Nations Development Programme" (A/C.5/58/L.18).

9. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.18 without a vote (see para. 19, draft resolution III).

D. Draft resolution A/C.5/58/L.35

10. At the 26th meeting, on 10 December, the Committee had before it a draft resolution entitled "Conditions of service and compensation for officials, other than Secretariat officials, serving the General Assembly: full-time members of the International Civil Service Commission and the Chairman of the Advisory Committee on Administrative and Budgetary Questions" (A/C.5/58/L.35), which was submitted by the Chairman on the basis of informal consultations coordinated by the representative of Argentina.

11. Before the adoption of the draft resolution, the Secretary of the Committee read out a statement (see A/C.5/58/SR.26).

12. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.35 without a vote (see para. 19, draft resolution IV).

E. Draft decision A/C.5/58/L.3

13. At the 9th meeting, on 24 October, the representative of Argentina, coordinator of the informal consultations on this question, introduced, on behalf of the Chairman, a draft decision entitled "Report of the Joint Inspection Unit on support costs related to extrabudgetary activities in organizations of the United Nations system (A/C.5/58/L.3).

14. At the same meeting, the Committee adopted draft decision A/C.5/58/L.3 without a vote (see para. 20, draft decision I).

F. Draft decision A/C.5/58/L.33

15. At the 26th meeting, on 10 December, the Committee had before it a draft decision entitled "Construction of additional office facilities at the Economic Commission for Africa" (A/C.5/58/L.33), submitted by the Chairman on the basis of informal consultations coordinated by the representative of Colombia.

16. At the same meeting, the Committee adopted draft decision A/C.5/58/L.33 without a vote (see para. 20, draft decision II).

G. Draft decision A/C.5/58/L.34

17. At the 26th meeting, on 10 December, the Committee had before it a draft decision entitled "Strengthening the Department of Public Information, within the existing capacity, in order to support and enhance the United Nations web site in all official languages of the Organization: follow-up" (A/C.5/58/L.34), submitted by the Chairman on the basis of informal consultations coordinated by the representative of Ireland.

18. At the same meeting, the Committee adopted draft decision A/C.5/58/L.34 without a vote (see para. 20, draft decision III).

III. Recommendations of the Fifth Committee

19. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I
Report of the Joint Inspection Unit on the revenue-producing activities of the United Nations system

The General Assembly,

Having considered the report of the Joint Inspection Unit on United Nations system revenue-producing activities[1] and the comments of the Secretary-General and the United Nations System Chief Executives Board for Coordination thereon,[2]

1. *Agrees* with the concepts expressed in paragraph (*a*) of recommendation 1 of the Joint Inspection Unit[1] concerning consolidation of the management of revenue-producing activities on the basis of sound business practices, bearing in mind the related legislative mandates, and awaits with interest the specific proposals of the Secretary-General;

2. *Takes note* of paragraph (*b*) of recommendation 1 of the Unit and the related comments of the Secretary-General;[2]

3. *Endorses* recommendation 2 of the Unit;

4. *Notes* paragraph (*a*) of recommendation 3 of the Unit, and requests the Secretary-General to report to the General Assembly at the second part of its resumed fifty-eighth session on the possibility of operating guided tours, bookstores and gift shops at the United Nations Office at Nairobi and the cost implications thereof;

5. *Requests* the Secretary-General to explore the possibility of selling products of the gift centre and the book shop via the Internet, in addition to existing arrangements;

6. *Endorses* paragraphs (*b*) and (*c*) of recommendation 3 of the Unit, and agrees with the comments of the Secretary-General in connection with paragraph (*a*) of that recommendation;

7. *Recognizes* that in its recommendation 4 the Unit outlines some general factors that should be considered in connection with the outsourcing of revenue-generating activities in the framework of approved outsourcing policies;

8. *Agrees* with the comments of the Secretary-General in connection with recommendation 5, and looks forward to further proposals of the Secretary-General concerning the United Nations Postal Administration consequent to its resolution 57/292 of 20 December 2002;

9. *Agrees* that the competent legislative organs, when considering strengthening the policy frameworks for revenue-generating activities in their organizations, should consider drawing on the objectives set out by the Unit in its recommendation 6, bearing in mind the specificities of each organization and the

[1] A/57/707.
[2] A/57/707/Add.1.

comments of the United Nations System Chief Executives Board for Coordination with respect to the generation of income from intellectual property;

10. *Agrees* with the comments of the Chief Executives Board for Coordination on recommendation 7 of the Unit;

11. *Endorses* recommendation 8, which should not affect existing practices concerning the free distribution of public information materials;

12. *Also endorses* recommendation 9, and agrees with the Chief Executives Board for Coordination that the application of this approach needs to be tailored to the specific objectives and circumstances of the organizations concerned;

13. *Takes note* of recommendations 11 to 13 of the Unit and the related comments of the Chief Executives Board for Coordination.

Draft resolution II

Conditions of service and compensation for officials other than Secretariat officials: members of the International Court of Justice, judges of the International Tribunal for the Former Yugoslavia and judges of the International Criminal Tribunal for Rwanda

The General Assembly,

Recalling section VIII of its resolution 53/214 of 18 December 1998 and resolution 56/285 of 27 June 2002 on the conditions of service and compensation for officials other than Secretariat officials: members of the International Court of Justice, judges of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 and judges of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994, resolution 55/249 of 12 April 2001 on the conditions of service and compensation for the ad litem judges of the International Tribunal for the Former Yugoslavia and resolution 57/289 of 20 December 2002 on the financing of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994,

Having considered the report of the Secretary-General,[1]

1. *Decides* to amend article 1 of the Pension Scheme Regulations for the members of the International Court of Justice and to replace that article with the provisions set out in annex I to the present resolution;

2. *Also decides* to amend article 1 of the Pension Scheme Regulations for the judges of the International Tribunal for the Former Yugoslavia and to replace that article with the provisions set out in annex II to the present resolution;

3. *Further decides* to amend article 1 of the Pension Scheme Regulations for the judges of the International Criminal Tribunal for Rwanda and to replace that article with the provisions set out in annex III to the present resolution.

[1] A/C.5/57/36.

Annex I

Pension Scheme Regulations for the members of the International Court of Justice (based on the provisions of General Assembly resolution 38/239 of 20 December 1983 and section VIII of resolution 53/214 of 18 December 1998 and applicable as from 1 January 1999)

Article 1
Retirement pension

1. A member of the International Court of Justice who has ceased to hold office and who has reached the age of sixty shall be entitled during the remainder of his or her life, subject to paragraphs 6 and 7 below, to a retirement pension, payable monthly provided that he or she has:

(a) Completed at least three years of service;

(b) Not been required to relinquish his or her appointment under Article 18 of the Statute of the Court for reasons other than the state of his or her health.

2. For a member who has served a full term of nine years, the annual pension entitlement shall be:

(a) For the year 1999, 60,000 United States dollars;

(b) For the year 2000, 70,000 dollars;

(c) With effect from 1 January 2001, one half of the annual salary.

3. A member serving in office as from 31 December 1998, who has been or is re-elected, shall be entitled to an increase in the amount of the pension by one three-hundredth of the amount payable under paragraph 2 for each month of service in excess of nine years, provided that maximum retirement pension shall not exceed two thirds of his or her annual salary:

(a) For the year 1999, a maximum of 81,600 dollars;

(b) For the year 2000, a maximum of 95,200 dollars;

(c) For the year 2001, two thirds of the annual salary, 106,667 dollars.

4. A member who has served for less than a full term of nine years shall be entitled to a retirement pension in the amount of that proportion of one half of the annual salary which the number of months of his or her actual service bears to one hundred and eight.

5. A member who ceases to hold office before the age of sixty and who would be entitled to a retirement pension when he or she reached that age may elect to receive a pension from any date after the date on which he or she ceases to hold office. Should he or she so elect, an actuarial reduction factor of one half of one per cent per month should be applied on the retirement pension which would have been paid to him or her at the age of sixty.

6. No retirement pension shall be payable to a former member who has been re-elected to office until he or she again ceases to hold office. At that time, the amount of his or her pension shall be calculated in accordance with paragraphs 2 to 4 above on the basis of his or her total period of service and shall be subject to a reduction

equal in actuarial value to the amount of any retirement pension paid to him or her before he or she reached the age of sixty.

7. No retirement pension shall be payable to a former member who has been elected or appointed a permanent judge of the International Tribunal for the Former Yugoslavia or the International Criminal Tribunal for Rwanda or who has been appointed to serve in the International Tribunal for the Former Yugoslavia or the International Criminal Tribunal for Rwanda as an ad litem judge until he or she ceases to hold that office or appointment.

Annex II

Pension Scheme Regulations for the judges of the International Tribunal for the Former Yugoslavia (based on the provisions of section VIII of General Assembly resolution 53/214 of 18 December 1998 and applicable as from 1 January 1999)

Article 1
Retirement pension

1. A judge of the International Tribunal for the Former Yugoslavia who has ceased to hold office and who has reached the age of sixty shall be entitled during the remainder of his or her life, subject to paragraphs 4 and 5 below, to a retirement pension, payable monthly provided that he or she has:

(a) Completed at least three years of service;

(b) Not been required to relinquish his or her appointment under Article 18 of the Statute of the Court for reasons other than the state of his or her health.

2. The amount of the retirement pension shall be determined as follows:

(a) If the judge has served a full term of four years and ceases to hold office after 1 January 2001, the amount of the annual pension shall be two ninths of the annual salary;

(b) If the judge has served a full term of four years and ceases to hold office after 1 January 1999 but before 1 January 2000, the amount of the annual pension shall be 26,500 United States dollars;

(c) If the judge has served a full term of four years and ceases to hold office after 1 January 2000 but before 1 January 2001, the amount of the annual pension shall be 31,000 dollars;

(d) Judges who have served a term of four years and who retire in 1999 or 2000 shall receive an increase in their pension as follows. As noted above, judges retiring in 1999 shall receive an annual pension of 26,500 dollars. Their annual pension shall be increased to 31,000 dollars in 2000 and to 35,500 dollars in 2001. Judges retiring in 2000 shall receive an annual pension of 31,000 dollars. The pension shall be increased to 35,500 dollars in 2001;

(e) With effect from 1 January 1999, all pensions in course of payment as at 31 December 1998, including pensions of judges who retire on or before that date, shall be increased by 10.3 per cent, i.e., the change resulting from the increase in the annual salary;

(f) If a judge served for less than a full term of four years, the amount of the pension shall be that proportion of the annual pension which the number of months of his or her actual service bears to forty-eight;

(g) If the judge came into office prior to 1 January 1999 and has been or is subsequently re-elected for another term, he or she shall continue to receive one one-hundred-and-thirty-third of the International Tribunal's pension benefit for each further month subsequent to his or her initial term, up to a maximum pension equivalent to eight twenty-sevenths of the annual salary. Judges elected to terms of office commencing after 31 December 1998 shall not be entitled to an increase in their pension benefit in case of re-election.

3. A judge who ceased to hold office before the age of sixty and who would be entitled to a retirement pension when he or she reached that age may elect to receive a pension from any date after the date on which he or she ceases to hold office. Should he or she so elect, the amount of such pension shall be that amount which has the same value as the retirement pension which would have been paid to him or her at the age of sixty.

4. No retirement pension shall be payable to a former judge who has been re-elected to office until he or she again ceases to hold office. At that time, the amount of his or her pension shall be calculated in accordance with paragraph 2 above on the basis of his or her total period of service and shall be subject to a reduction equal in actuarial value to the amount of any retirement pension paid to him or her before he or she reached the age of sixty.

5. No retirement pension shall be payable to a former judge who has been elected a member of the International Court of Justice or who has been elected or appointed a permanent judge of the International Criminal Tribunal for Rwanda or who has been appointed to serve on the International Tribunal for the Former Yugoslavia or the International Criminal Tribunal for Rwanda as an ad litem judge until he or she ceases to hold that office or appointment.

Annex III

Pension Scheme Regulations for the judges of the International Criminal Tribunal for Rwanda (based on the provisions of section VIII of General Assembly resolution 53/214 of 18 December 1998 and applicable as from 1 January 1999)

Article 1
Retirement pension

1. A judge of the International Criminal Tribunal for Rwanda who has ceased to hold office and who has reached the age of sixty shall be entitled during the remainder of his or her life, subject to paragraphs 4 and 5 below, to a retirement pension, payable monthly provided that he or she has:

(a) Completed at least three years of service;

(b) Not been required to relinquish his or her appointment under Article 18 of the Statute of the Court for reasons other than the state of his or her health.

2. The amount of the retirement pension shall be determined as follows:

(a) If the judge has served a full term of four years and ceases to hold office after 1 January 2001, the amount of the annual pension shall be two ninths of the annual salary;

(b) If the judge has served a full term of four years and ceases to hold office after 1 January 1999 but before 1 January 2000, the amount of the annual pension shall be 26,500 United States dollars;

(c) If the judge has served a full term of four years and ceases to hold office after 1 January 2000 but before 1 January 2001, the amount of the annual pension shall be 31,000 dollars;

(d) Judges who have served a term of four years and who retire in 1999 or 2000 shall receive an increase in their pension as follows. As noted above, judges retiring in 1999 shall receive an annual pension of 26,500 dollars. Their annual pension shall be increased to 31,000 dollars in 2000 and to 35,500 dollars in 2001. Judges retiring in 2000 shall receive an annual pension of 31,000 dollars. The pension shall be increased to 35,500 dollars in 2001;

(e) With effect from 1 January 1999, all pensions in course of payment as at 31 December 1998, including pensions of judges who retire on or before that date, shall be increased by 10.3 per cent, i.e., the change resulting from the increase in the annual salary;

(f) If a judge served for less than a full term of four years, the amount of the pension shall be that proportion of the annual pension which the number of months of his or her actual service bears to forty-eight;

(g) If the judge came into office prior to 1 January 1999 and has been or is subsequently re-elected for another term, he or she shall continue to receive one one-hundred-and-thirty-third of the International Tribunal's pension benefit for each further month subsequent to his or her initial term, up to a maximum pension equivalent to eight twenty-sevenths of the annual salary. Judges elected to terms of office commencing after 31 December 1998 shall not be entitled to an increase in their pension benefit in case of re-election.

3. A judge who ceased to hold office before the age of sixty and who would be entitled to a retirement pension when he or she reached that age may elect to receive a pension from any date after the date on which he or she ceases to hold office. Should he or she so elect, the amount of such pension shall be that amount which has the same value as the retirement pension which would have been paid to him or her at the age of sixty.

4. No retirement pension shall be payable to a former judge who has been re-elected to office until he or she again ceases to hold office. At that time, the amount of his or her pension shall be calculated in accordance with paragraph 2 above on the basis of his or her total period of service and shall be subject to a reduction equal in actuarial value to the amount of any retirement pension paid to him or her before he or she reached the age of sixty.

5. No retirement pension shall be payable to a former judge who has been elected a member of the International Court of Justice or who has been elected or appointed a permanent judge of the International Tribunal for the Former Yugoslavia or who has been appointed to serve in the International Tribunal for the Former Yugoslavia or the International Criminal Tribunal for Rwanda as an ad litem judge until he or she ceases to hold that office or appointment.

Draft resolution III
Salary and retirement allowance of the Secretary-General and salary and pensionable remuneration of the Administrator of the United Nations Development Programme

The General Assembly,

Recalling paragraph 4 of its resolution 57/310 of 18 June 2003,

Having considered the report of the Advisory Committee on Administrative and Budgetary Questions,[1]

Concurs with paragraph 3 of the report of the Advisory Committee on Administrative and Budgetary Questions,[1] and decides, at this time, not to change the current practice regarding the salary and retirement allowance of the Secretary-General and salary and pensionable remuneration of the Administrator of the United Nations Development Programme.

[1] A/58/7/Add.3.

Draft resolution IV
Conditions of service and compensation for officials, other than Secretariat officials, serving the General Assembly: full-time members of the International Civil Service Commission and the Chairman of the Advisory Committee on Administrative and Budgetary Questions

The General Assembly,

Recalling its resolutions 35/221 of 17 December 1980 and 55/238 of 23 December 2000,

Having considered the report of the Secretary-General,[1]

1. *Approves* the suggestions outlined in paragraphs 4 to 6 of the report of the Secretary-General,[1] due to the increase in the salary scale for staff in certain grades of the Professional and higher categories in accordance with its resolution 57/285 of 20 December 2002, with effect from 1 September 2003;

2. *Decides* that the additional financial requirements stemming from the proposals shall be reflected in its resolution on the second performance report for the biennium 2002-2003;

3. *Also decides* to maintain the procedure for adjusting the compensation of the Chairman and Vice-Chairman of the International Civil Service Commission and the Chairman of the Advisory Committee on Administrative and Budgetary Questions on the basis of the movement of the consumer price index;[2]

4. *Requests* the Secretary-General to bring the issue of conditions of service and compensation of the three officials to the attention of the General Assembly when the annual compensation for the Chairman of the International Civil Service Commission and the Chairman of the Advisory Committee on Administrative and Budgetary Questions falls below the level of the compensation of Assistant Secretaries-General, but no sooner than at its sixty-third session;

5. *Decides* that the procedure outlined above shall replace the requirement for future five-year comprehensive reviews outlined in paragraph 8 of the report of the Secretary-General;

6. *Reaffirms* the principle that the conditions of service and compensation of the three officials shall be separate and distinct from those of officials of the United Nations Secretariat.

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[1] A/C.5/57/35.

[2] Ibid., para. 2.

20. The Fifth Committee also recommends to the General Assembly the adoption of the following draft decisions:

Draft decision I
Report of the Joint Inspection Unit on support costs related to extrabudgetary activities in organizations of the United Nations system

The General Assembly, having considered the report of the Joint Inspection Unit on support costs related to extrabudgetary activities in organizations of the United Nations system[1] and the note by the Secretary-General transmitting his comments and those of the United Nations System Chief Executives Board for Coordination thereon,[2] as well as the related report of the Advisory Committee on Administrative and Budgetary Questions,[3] requests the Joint Inspection Unit to provide further clarification of its recommendations 1, 4, 6, 8 and 9, and decides to continue its consideration of this matter at the first part of its resumed fifty-eighth session.

Draft decision II
Construction of additional office facilities at the Economic Commission for Africa

The General Assembly takes note of the report of the Secretary-General on the construction of additional office facilities at the Economic Commission for Africa[4] and the related report of the Advisory Committee on Administrative and Budgetary Questions.[5]

Draft decision III
Strengthening the Department of Public Information, within the existing capacity, in order to support and enhance the United Nations web site in all official languages of the Organization: follow-up

The General Assembly takes note of the report of the Secretary-General on strengthening the Department of Public Information, within the existing capacity, in order to support and enhance the United Nations web site in all official languages of the Organization: follow-up,[6] and the related report of the Advisory Committee on Administrative and Budgetary Questions.[7]

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[1] See A/57/442.

[2] A/57/442/Add.1.

[3] A/57/434, paras. 5 and 6.

[4] A/58/154.

[5] *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 7* and corrigendum (A/58/7 and Corr.1), para. XI.3.

[6] A/58/217.

[7] A/58/7/Add.1.

United Nations A/58/572/Add.1

General Assembly

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Agenda item 120

Programme budget for the biennium 2002-2003

Report of the Fifth Committee

Rapporteur: Mr. Fouad **Rajeh** (Saudi Arabia)

I. Introduction

1. The previous recommendations made by the Fifth Committee to the General Assembly under agenda item 120 appear in the report of the Committee contained in document A/58/572.

2. The Fifth Committee resumed its consideration of the item at its 29th meeting, on 18 December 2003. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary record (A/C.5/58/SR.29).

II. Consideration of draft resolution A/C.5/58/L.41

3. At its 29th meeting, on 18 December, the Committee had before it a draft resolution entitled "Final budget appropriations for the biennium 2002-2003" (A/C.5/58/L.41), which was submitted by the Chairman on the basis of informal consultations coordinated by the representative of Greece.

4. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.41 without a vote (see para. 5).

III. Recommendation of the Fifth Committee

5. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

03-66656 (E) 191203

Final budget appropriations for the biennium 2002-2003

The General Assembly,

1. *Takes note* of the second performance report of the Secretary-General on the programme budget for the biennium 2002-2003[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions;[2]

2. *Resolves* that, for the biennium 2002-2003:

(a) The amount of 2,891,068,700 United States dollars appropriated by it in its resolutions 57/293 A of 20 December 2002 and 57/311 of 18 June 2003 shall be increased by 76,659,100 dollars, as follows:

[1] A/58/558 and Add.1 and Corr.1.

[2] A/58/604.

Section		*Amount approved by the General Assembly in its resolutions 57/293 A and 57/311*	*Increase/ (decrease)*	*Final appropriation*
		(United States dollars)		
Part I	Overall policy-making, direction and coordination			
	1. Overall policy-making, direction and coordination	50 628 800	1 207 300	51 836 100
	2. General Assembly affairs and conference services	470 592 900	18 320 700	488 913 600
	Total, part I	**521 221 700**	**19 528 000**	**540 749 700**
Part II	Political affairs			
	3. Political affairs	251 550 300	12 023 700	263 574 000
	4. Disarmament	15 821 100	330 800	16 151 900
	5. Peacekeeping operation	78 200 100	(1 668 400)	76 531 700
	6. Peaceful uses of outer space	4 315 300	(182 500)	4 132 800
	Total, part II	**349 886 800**	**10 503 600**	**360 390 400**
Part III	International justice and law			
	7. International Court of Justice	26 315 900	1 964 900	28 280 800
	8. Legal affairs	35 754 500	(324 300)	35 430 200
	Total, part III	**62 070 400**	**1 640 600**	**63 711 000**
Part IV	International cooperation for development			
	9. Economic and social affairs	123 902 200	2 987 200	126 889 400
	9A. Least developed countries, landlocked developing countries and small island developing States	3 099 500	(865 900)	2 233 600
	10. Africa: New Agenda for Development	6 052 300	46 300	6 098 600
	11A. Trade and development	91 295 800	1 778 200	93 074 000
	11B. International Trade Centre UNCTAD/WTO	19 373 900	997 900	20 371 800
	12. Environment	8 355 100	500 300	8 855 400
	13. Human settlements	12 794 200	847 800	13 642 000
	14. Crime control	6 339 800	1 074 900	7 414 700
	15. International drug control	16 293 700	1 551 800	17 845 500
	Total, part IV	**287 506 500**	**8 918 500**	**296 425 000**
Part V	Regional cooperation for development			
	16. Economic and social development in Africa	83 865 900	(5 009 200)	78 856 700
	17. Economic and social development in Asia and the Pacific	58 821 300	(253 100)	58 568 200
	18. Economic development in Europe	43 798 800	3 551 200	47 350 000
	19. Economic and social development in Latin America and the Caribbean	73 210 500	189 300	73 399 800
	20. Economic and social development in Western Asia	49 842 800	(467 500)	49 375 300
	21. Regular programme of technical cooperation	42 871 500	1 034 100	43 905 600
	Total, part V	**352 410 800**	**(955 200)**	**351 455 600**

Section		Amount approved by the General Assembly in its resolutions 57/293 A and 57/311	Increase/ (decrease)	Final appropriation
		(United States dollars)		
Part VI.	Human rights and humanitarian affairs			
	22. Human rights	47 576 300	534 500	48 110 800
	23. Protection of and assistance to refugees	45 956 000	3 315 500	49 271 500
	24. Palestine refugees	28 278 700	1 250 800	29 529 500
	25. Humanitarian assistance	20 577 400	168 300	20 745 700
	Total, part VI	**142 388 400**	**5 269 100**	**147 657 500**
Part VII.	Public information			
	26. Public information	147 107 600	278 200	147 385 800
	Total, part VII	**147 107 600**	**278 200**	**147 385 800**
Part VIII.	Common support services			
	27. Management and central support services	451 342 100	6 748 000	458 090 100
	Total, part VIII	**451 342 100**	**6 748 000**	**458 090 100**
Part IX.	Internal oversight			
	28. Internal oversight	20 946 600	82 300	21 028 900
	Total, part IX	**20 946 600**	**82 300**	**21 028 900**
Part X.	Jointly financed administrative activities and special expenses			
	29. Jointly financed administrative activities	8 759 600	(647 900)	8 111 700
	30. Special expenses	77 085 600	4 820 800	81 906 400
	Total, part X	**85 845 200**	**4 172 900**	**90 018 100**
Part XI.	Capital expenditures			
	31. Construction, alteration, improvement and major maintenance	88 341 100	529 900	88 871 000
	Total, part XI	**88 341 100**	**529 900**	**88 871 000**
Part XII.	Staff assessment			
	32. Staff assessment	368 936 500	19 943 200	388 879 700
	Total, part XII	**368 936 500**	**19 943 200**	**388 879 700**
Part XIII.	Development Account			
	33. Development Account	13 065 000	-	13 065 000
	Total, part XIII	**13 065 000**	**-**	**13 065 000**
	Grand total	**2 891 068 700**	**76 659 100**	**2 967 727 800**

(b) The Secretary-General shall be authorized to transfer credits between sections of the budget, with the concurrence of the Advisory Committee;

(c) In addition to the appropriations approved under subparagraph (a) above, an amount of 125,000 dollars is appropriated for each year of the biennium 2002-2003 from the accumulated income of the Library Endowment Fund for the purchase of books, periodicals, maps and library equipment and for such other expenses of the Library at the Palais des Nations as are in accordance with the objects and provisions of the endowment.

B
Final income estimates for the biennium 2002-2003

The General Assembly,

Resolves that, for the biennium 2002-2003:

(a) The estimates of income of 414,429,600 United States dollars approved by it in its resolution 57/293 B of 20 December 2002 shall be increased by 13,660,500 dollars, as follows:

Income section	*Amount approved by the General Assembly in its resolution 57/293 B*	*Increase/(decrease)*	*Final estimate*
		(United States dollars)	
1. Income from staff assessment	373 048 100	20 053 100	393 101 200
Total, income, section 1	**373 048 100**	**20 053 100**	**393 101 200**
2. General income	41 953 200	(8 211 000)	33 742 200
3. Services to the public	(571 700)	1 818 400	1 246 700
Total, income sections 2 and 3	**41 381 500**	**(6 392 600)**	**34 989 900**
Grand total	**414 429 600**	**13 660 500**	**428 090 100**

(b) The income from staff assessment shall be credited to the Tax Equalization Fund in accordance with the provisions of General Assembly resolution 973 (X) of 15 December 1955;

(c) Direct expenses of the United Nations Postal Administration, services to visitors, catering and related services, garage operations, television services and the sale of publications, not provided for under the budget appropriations, shall be charged against the income derived from those activities.